Department of Energy

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Management of Human Capital

Competitive Sourcing

Improved Financial performance

Expanded Electronic Government

Budget and Performance Integration

Start Up Experience and A-76 Trends

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Agenda

➢ **A-76 is a management tool**
➢ **DOE**
   ➢ **Background**
   ➢ **Management Approach**
   ➢ **Functional Area Studies**
   ➢ **Issues**
   ➢ **Other Lessons Learned**
➢ **Federal Civilian Agency Trends**
➢ **Public-Private Partnerships**

A-76 is a Management Tool

Through _competition_, A-76 provides the opportunities for managers to:

- Streamline organizations
- Implement best business practices
- Increase productivity
- Enhance quality
- Increase efficiency of operations
- Lower operational costs

Keys for a Successful A-76 Study

➤ **Start with a well organized approach**
➤ *Effective communications* **strategy and planning is critical**
➤ *Top-down commitment is essential* **to set the tone and stay the course**
➤ **Studies are** *resource intensive*
➤ **Set realistic timelines and milestones**
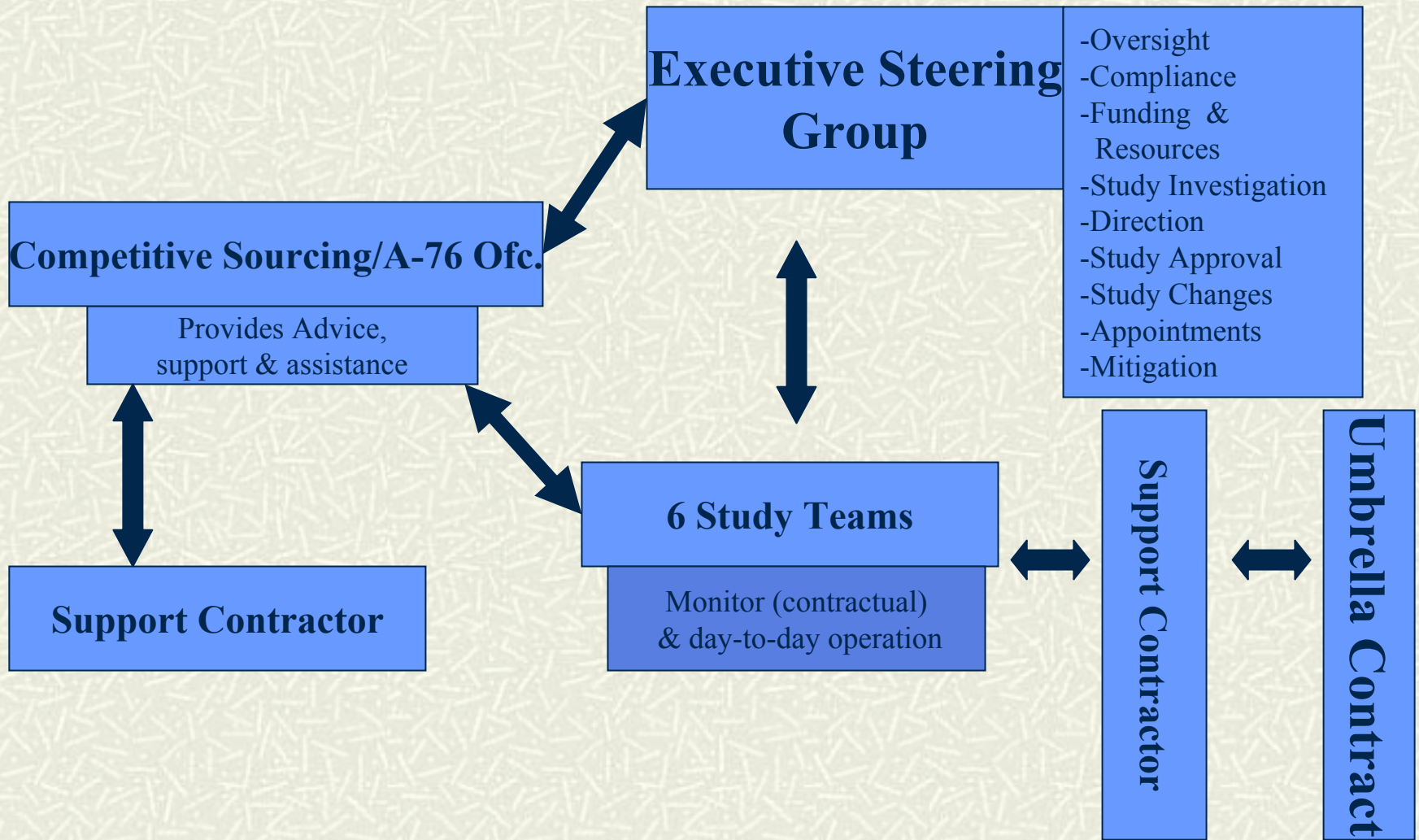➤ **Focus on customer requirements**

DOE Background

- **Functional area study targets are a mix of Department-wide and specific organizations– primarily "administrative" activities**

- **Departmental-wide studies require very senior team chiefs**

- **Functional Study Team Chiefs report to a very senior Executive Steering Group**
  - Chaired by Deputy Secretary
  - Members are Under Secretaries

DOE Management Approach

➢ **Instituted Executive Steering Group oversight for each A-76 Study**

➢ **Developed DOE A-76 Competitive Sourcing Guide**

➢ **Developed Organizational Conflicts of Interest Guide**

➢ **Identified and defined Roles and Responsibilities**

➢ **Provided A-76 Training**

➢ **Expanded Study Team Participants to include Unions**

Operational Roles

Executive Steering Group

- Oversight
- Compliance
- Funding & Resources
- Study Investigation
- Direction
- Study Approval
- Study Changes
- Appointments
- Mitigation

Competitive Sourcing/A-76 Ofc.

Provides Advice, support & assistance

Support Contractor

6 Study Teams

Monitor (contractual) & day-to-day operation

Support Contractor

Umbrella Contract

Executive Steering Group (ESG)

➢ **Ensure funding and resources are provided and appropriately utilized**

➢ **Review and provide final Departmental approval for all Competitive Sourcing Actions**

➢ **Approve cost comparison waivers, study modifications and study cancellations**

➢ **Appoint officials for the Independent Review Organization, etc.**

➢ **Provide for arbitration and resolution of cross organizational issues**

DOE Functional Area Studies

Information Technology

➢ Mix of Federal employees and contractors

➢ Over 600 Federal at 14 Headquarters (HQ) organizations and 19 separate field location and 1000+ contractor equivalent employees

➢ Everything in IT

Financial Services

➢ Mix of Federal Employees and Contractors

➢ Primarily accounting at HQ and 13 field sites

DOE Functional Area Studies

Human Resources

➢ Mix of Federal employees and contractors

➢ Primarily training functions at 24 HQ organizations and 19 field sites

Logistics

➢ Federal employees at 3 HQ organizations and 12 field sites

DOE Trends/Impacts

➤ **Town Hall field site A-76 meetings underway**

➤ **A-76 management system-selected DoDs Commercial Activities Management Information System (CAMIS), and WinCompare[2]**

➤ **Conflicts of Interest rules developed (Jones-Hill Impact)**

➤ **Support contractor Program Manager in place and organized**

DOE Issues

- **Revised A-76 Circular and appendices**
- **Multiple Congressional appropriations**
  - Legislative/appropriation issues, agency-wide studies
  - FAIR Act
- **Jones-Hill GAO decision**
- **Funding the studies**
  - More support contractors and functional studies over many sites increases travel costs and salaries
- **Impact of other departmental restructuring activities on A-76 studies and A-76 impact on them**
- **Lack of government activity based full cost accounting**

HR-A Critical Role

➢ **HR Assistance/Help=Employee Morale**

➢ **Employees CANNOT know enough about the A-76 process and THEIR RIGHTS**

    ➢A-76 process does not change or eliminate ANY employee OPM processes or procedures

    ➢Information is the Key

➢ **Labor relations and Unions must be involved and knowledgeable**

Other Lessons Learned

➢ **Define and publish roles/responsibilities and guidance as early as possible**

➢ **Need more pre-planning**

➢ **Start working the HR issues and strategy quickly**

➢ **Congressional notification, while not required for civilian agencies, is a very prudent action**

Other Lessons Learned

➢ **A-76 Office**
  ➢ Stay neutral!
  ➢ Serve as honest broker
  ➢ Protect the process

➢ **Bi-weekly Team Leaders meetings are critical**

➢ **First round of choices for functional area A-76 studies is easier than successive rounds**

Federal Civilian Agency Trends

More Professional areas undergoing study

➢ Beyond base support operations

➢ IT, Accounting, Training, etc…

➢ Studies by **function**, not position

Agency and nationwide studies

➢ Senior level oversight/support

➢ Multiple geographical locations

➢ Eliminates stovepipes

Federal Civilian Agency Trends

MEO and contractor bids

➢ Mix of Study Agency, other Government Agencies (OGA) and contactors

➢ Contractor use of OGAs to support bids

Performance Work Statements

➢ Focus on the desired outcome rather than the how

Federal Civilian Agency Trends

Support contractors
- Not just PWS/MEO support
- IRO, MEO certification, Acquisition

Potentially more Government "*wins*" as higher technical areas are studied

- More competitive salaries

- Capital investment issues

Federal Civilian Agency Trends

➤ **Increased Federal Union(s) involvement, especially smaller unions**

➤ **Use of feasibility studies to develop the business case, then focus on the truly cost effective studies**

➤ **Larger studies, larger savings**

Public Private Partnerships

A "routine" consideration in A-76 studies

➢ Studies now including consideration of both Federal employees and current private service contractors

➢ Government Most Efficient Organization bid can/will include private contractors as the "best" organization

➢ Government agencies can/will partner with private contractors as part of their bid on A-76 acquisition

Public Private Partnerships

The goal is the most effective organization, at the least cost to the US taxpayers

Partnerships are

key

to achieving this goal!

For Further Information

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